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United States. Securities and Exchange Commission

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SECURITIES AND EXCHANGE COMMISSION
Washington

SECURITIES ACT OF 1933

Release No. 2757

SECURITIES EXCHANGE ACT OF 1934

Release No. 3114

INVESTMENT COMPANY ACT OF 1940

Release No. 293

ACCOUNTING SERIES

Release No. 29

The Securities and Exchange Commission today announced the adoption of changes in Regulation S-X making that regulation applicable to the form and content of financial statements filed by unit investment trusts, including unit investment trusts which are issuers of periodic payment plan certificates. The changes are designed for use by companies subject to the Investment Company Act of 1940, but also are applicable to statements of unit investment trusts filed under the Securities Act of 1933 and the Securities Exchange Act of 1934. It is contemplated, however, that further amendments or a general revision of the requirements as to the form and content of financial statements of companies filing under the Investment Company Act of 1940 may result from the study of the financial statements of the companies covered by that Act.

The changes in Regulation S-X consist of --

(a) amendments to Rule 1-01 to require that Regulation S-X govern the form and content of the financial statements required to be filed as part of forms C-1 and 2-MD; and

(b) the adoption of Article 6A and the related rules of Article 12, which deal specifically with the form and content of statements of condition, statements of income and other distributable funds, and schedules for unit investment trusts, including unit investment trusts which are issuers of periodic payment plan certificates.

The text of the Commission's action follows:

Amendment No. 5 to Regulation S-X

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Securities Act of 1933, particularly Sections 7 and 19 (a) thereof, the Securities Exchange Act of 1934, particularly Sections 12, 13, 15 (d) and 23 (a) thereof, and the Investment Company Act of 1940, particularly Sections 8, 30 and 38 (a) thereof, and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary for the execution of the functions vested in it by the said Acts, hereby amends Regulation S-X as follows:

I. Paragraphs (a) and (d) of rule 1-01 are amended to read as follows:

Rule 1-01. Application of Regulation S-X.

(a) Registration statements under the Securities Act of 1933, filed on form A-2 or C-1;

(d) Supplemental or periodic reports under section 15 (d) of the Securities Exchange Act of 1934, filed on form 1-MD, 2-MD or 4-MD; and

II. There is inserted immediately following article 6 a new article 6A, reading as follows:

Article 6A. UNIT INVESTMENT TRUSTS.

Rule 6-10. Application of Article 6A.

This article shall be applicable to financial statements filed by unit investment trusts including unit investment trusts which are issuers of periodic payment plan certificates.

Rule 6-11. Statements of Condition.

Statements of condition filed for unit investment trusts shall comply with the following provisions:

TRUST PROPERTY

1. Investment in securities.—The aggregate cost and the aggregate value of investments included under this caption and caption 2 below shall be shown in the statement of condition parenthetically or otherwise. The method used in determining the "cost" shall be stated. For the purpose of this rule 6-11, "value" has the meaning defined in Section 2 (a) (39) (B) of the Investment Company Act of 1940. State in the statement of condition for each caption the basis of determining the amount at which investments are carried.

(a) Securities of Investment companies.—State separately (1) trust shares in unit trusts created or serviced by the depositor or sponsor of this trust; (2) trust shares in other unit trusts; and (3) securities of other investment companies.

(b) Securities of other companies.—State separately (1) marketable securities and (2) other securities.

2. Investments other than securities.—State separately each major class. See instructions to caption 1.

3. Dividends and interest receivable.

4. Cash.

5. Other property.—State separately each significant item. State the basis of determining the amounts.

LIABILITIES, TRUST SHARES AND DISTRIBUTABLE FUNDS

6. Liabilities.—State separately amounts payable to (a) trustee and custodian; and (b) depositor, sponsor, and their associates. State separately any other significant items.

7. Reserves not shown elsewhere.—State separately each significant item. If the caption used for each reserve stated separately is not clearly indicative of the purpose for which the reserve was created, explain the purpose in a note referred to under this caption.

8. Trust shares.—State for each class of trust shares (a) the title of issue, the number of trust shares outstanding and the total cost to the investors of such trust shares; (b) the adjustment for market depreciation or appreciation; (c) other deductions from the total cost to the investors for fees, loads and other charges; and (d) the net amount credited to the investors. Explain in a note referred to under this caption the deductions for fees, loads and other charges from the total cost to the investors. If the amounts called for by (a), (b) and (c) are not reasonably determinable a statement to that effect shall be made and in such

case there shall be stated for each class of trust shares the title of issue, the number of trust shares outstanding and the net amount credited to the investors.

9. Distributable funds accrued to trust shares.—The amount shown here shall agree with that shown in caption 17 of the related statement of income and other distributable funds.

Rule 6-12. Statement of Income and Other Distributable Funds.

The statements of income and other distributable funds filed for unit investment trusts shall comply with the following provisions:

INCOME

1. Distributions and dividends.—State separately (a) distributions received on shares of investment trusts, and (b) dividends on other securities. If there is included herein any distribution received on shares of investment trusts which are known to represent the return of any portion of the amount invested in the shares upon which such distribution was paid, indicate in a footnote herein referred to the justification alleged for such treatment and the amounts involved if known or reasonably available. Also indicate the basis upon which dividends and distributions are taken into income (e. g., "cash" or "accrual"; and if accrual whether as of declaration or record date); and, as to any distributions and dividends other than cash, the basis on which they have been taken up as income.

2. Interest.—State separately interest from (a) securities and (b) other sources.

3. Other Income.—State separately by class of income each significant amount.

4. Total income.

EXPENSES

5. Taxes.

6. Fees of the trustee and custodian.

7. Fees of the depositor and sponsor.

8. Legal fees and expenses.—State separately each significant amount.

9. Auditing fees and expenses.—State separately each significant amount.

10. Other expenses.—State separately by class of expense each significant amount.

11. Total expenses.

DISTRIBUTABLE FUNDS

12. Net distributable income for the period.—(caption 4 less caption 11)

13. Distributable funds accrued to trust shares at the beginning of the period.

14. Other additions to distributable funds.—State separately (a) that portion from the sale of trust shares which represents payments for participation in accrued distributable funds; and (b) any other significant amounts.

15. Deductions other than distributions.--State separately (a) amounts withheld (1) for reserves and (2) for investments, and (b) any other significant amounts.

16. Distributions to shareholders.--For each class of trust shares state the amount per share and in the aggregate. State, as to any distributions other than cash, the nature of the distributions and the basis of determining the amount charged to distributable funds. Indicate here or in a note herein referred to the aggregate distributions made upon the surrender and cancellation of trust shares which represent distributable funds accrued at the date of surrender and cancellation.

17. Distributable funds accrued to trust shares at close of the period.

Rule 6-13. What Schedules Are To Be Filed.

(a) Schedule IV, specified below, shall be filed as of the date of the most recent statement of condition filed. The other schedules specified shall be filed for each period for which a statement of income and other distributable funds is filed. All schedules shall be certified.

(b) Reference to the schedules shall be made against the appropriate captions of the statement of condition and the statement of income and other distributable funds.

Schedule I. Investment in securities.--The schedule prescribed by Rule 12-33 shall be filed in support of caption 1 of each statement of condition and of captions 1 and 2 of each statement of income and other distributable funds.

Schedule II. Trust shares-- Other than periodic payment plan certificates.--If the trust shares are other than periodic payment plan certificates the schedule prescribed by Rule 12-34 shall be filed in support of caption 8 of each statement of condition.

Schedule III. Gain or loss from transactions in trust property.--(For unit investment trusts other than those issuing periodic payment plan certificates.) A schedule shall be submitted showing for each investment set forth in Schedule I in which there were any sales or redemptions during the period: (a) the aggregate amount received from sale; (b) the aggregate cost of the investment sold; and (c) the realized gain or loss thereon.

Schedule IV. Allocation of trust assets to series of trust shares.--If the trust assets are specifically allocated to different series of trust shares, and if such allocation is not shown in the statement of condition in columnar form or by the submission of separate statements for each series of trust shares, a schedule shall be submitted showing the amount of trust assets, indicated by each statement of condition filed, which is applicable to each series of trust shares.

Schedule V. Allocation of trust income and distributable funds to series of trust shares.--If the trust income and distributable funds are specifically allocated to different series of trust shares and if such allocation is not shown in the statement of income and other distributable funds in columnar form or by the submission of separate statements for each series of trust shares, a schedule shall be submitted showing the amount of income and distributable funds, indicated by each statement of income and other distributable funds filed, which is applicable to each series of trust shares.

PART 1

PART 2

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F	COL. G	COL. H	COL. I	COL. J	COL. K
Name of issuer and title of issue	Balance held at beginning of period.	Gross purchases and additions as to each issue during period.	Gross sales and reductions to each issue during period.	Balance held at close of period.	Cost of items included in column E	Amount at which each issue was carried at close of issue	Market value of each share at close of issue	Distribution received on trust shares	Dividends on other shares	Interest
2/	Number of shares - principal amount of bonds and notes	Number of shares - principal amount of bonds and notes 2/	Number of shares - principal amount of bonds and notes	Shares - principal bonds and notes	4/ 5/	close of period	at close of period	: shares : : at : : close : : of : : period :	7/	

11/ The required information is to be given as to each issue of securities held at any time during the period.

2/ Group separately (a) shares of investment companies; and (b) other securities. As to securities set forth in group (a) list separately (1) trust shares in unit trusts created or serviced by the depositor or sponsor of this trust; (2) trust shares in other investment trusts; and (3) securities of other investment companies. As to securities set forth in group (b) list separately (1) evidences of indebtedness; (2) preferred shares; (3) common shares; and (4) other securities. Within each of these subdivisions classify according to type of business, insofar as practicable, e.g., railroads, utilities, banks, insurance companies, industrials. Give totals of each group, subdivision and class.

3/ Describe briefly the nature of any additions otherwise than through cash purchases.

4/ State the basis upon which cost has been determined. State in a footnote to this column the aggregate cost for purposes of the Federal income tax.

5/ Columns F, G and H shall be totaled. The total of column G at the close of the most recent period shall agree with the related caption in the statement of condition. If the amount shown in column G differs from the amount shown in either column F or H, state the basis of determining the amount in column G. If the amounts to be shown in column G are identical with the amounts to be shown in columns F or H, a statement to that effect will suffice.

6/ If market value is determined on any basis other than closing prices reported on any national securities exchange, explain such other basis in a note.

77/ Identify all dividends other than cash taken up in income, and state the basis on which so taken up.

Rule 12-34. Trust Shares Other than Periodic Payment Plan Certificates.

(For Unit Investment Trusts only)

1. Amount at which _____ trust shares were carried at beginning of period. <u>1/</u> <u>2/</u>		\$ _____
2. Additions during period resulting from:		
(a) Creation of _____ trust share. <u>1/</u>		\$ _____
(b) Allocations of trust income for reinvestment.		_____
(c) Other additions. <u>3/</u>		_____
3. Total additions.		_____
4. Deductions during period resulting from:		_____
(a) Surrender and cancellation of _____ trust shares. <u>1/</u>		_____
(b) Other distributions (or transfers to distributable funds) of amounts credited to trust shares.		_____
(c) Other deductions. <u>4/</u>		_____
5. Total deductions.		=====
6. Amount at which _____ trust shares were carried at end of period. <u>1/</u> <u>5/</u>		\$ =====

Effective January 9, 1942.

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- 1/ Insert the applicable number of trust shares.
 - 2/ State the basis of determining the amount.
 - 3/ State separately all significant items. If market appreciation of underlying trust property is included, the amount thereof shall be shown separately. Income required to be set forth in the statement of income and other distributable funds shall not be set forth here.
 - 4/ State separately all significant items. If market depreciation of underlying trust property is included, the amount thereof shall be shown separately. Expenses required to be set forth in the statement of income and other distributable funds shall not be set forth here.
 - 5/ The balance at the close of the most recent period shall agree with caption 8 of the related statement of condition.